

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. P-848
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**PROPOSED DECISION AND ORDER GRANTING AMENDMENT
TO PIPELINE PERMIT NO. 1208**

(Issued August 5, 2004)

APPEARANCES:

MR. ALLAN KNIEP, Attorney at Law, 321 East Walnut Street, Suite 373, Des Moines, Iowa 50309, appearing on behalf of Interstate Power and Light Company.

MR. JOHN DWYER, Attorney at Law, 310 Maple Street, Des Moines, Iowa 50319, appearing on behalf of the Iowa Department of Justice, Office of Consumer Advocate.

STATEMENT OF THE CASE

On June 18, 2003, the Utilities Board (Board) issued Pipeline Permit No. 1208 to Interstate Power and Light Company (IPL) to construct, operate, and maintain a 20-inch natural gas pipeline in Cerro Gordo and Hancock Counties to deliver gas to IPL's Power Iowa Energy Center/Emery Generating Station. (Pipeline Permit No. 1208; petition for permit). On March 12, 2004, IPL filed a petition and exhibits for a permit to amend Pipeline Permit No. 1208 to construct, operate, and maintain a 10-inch diameter steel pipeline approximately 4.91 (later amended to 4.65) miles long

for the transportation of natural gas in Cerro Gordo County, Iowa. (petition for permit; testimony of Mr. House; O'Neal reports; Bloome report). The proposed 10-inch diameter pipeline will transport natural gas from IPL's existing 20-inch diameter pipeline located on the Emery Generating Station site to provide natural gas to the Golden Grain Ethanol Plant currently under construction south of Mason City, Iowa. (petition for permit; testimony of Mr. House; O'Neal reports). The pipeline will also have the capacity to provide an additional source of natural gas to customers in the Mason City area in the future. (petition for permit; testimony of Mr. House; O'Neal 06/07/04 report). IPL amended its petition on April 8, April 27, May 4, and July 1, 2004. (petition for permit). IPL filed a land restoration plan with its petition. (land restoration plan; testimony of Mr. House).

On June 23, 2004, the Board assigned this case to the undersigned administrative law judge, who issued an order establishing a procedural schedule, proposing to take official notice, and providing notice of the hearing on June 28, 2004. In that order, the undersigned set August 4, 2004, as the date for the hearing on the petition, and proposed to take official notice of two reports concerning the proposed pipeline: (1) a report dated May 10, 2004, prepared by Mr. John Bloome, utility regulatory inspector for the Board; and (2) a report dated June 7, 2004, prepared by Mr. Jeffrey O'Neal, utility regulatory engineer for the Board.

IPL filed prepared direct testimony of Mr. James House on July 12, 2004.

Mr. Allan Kniep filed an appearance on behalf of IPL on July 14, 2004.

The hearing was held on August 4, 2004, in Board Conference Room 3, 350 Maple Street, Des Moines, Iowa. IPL was represented by its attorney, Mr. Allan Kniep. Mr. James House, engineer for Alliant Energy Corporate Services, Inc., was connected to the hearing by telephone conference call and testified on behalf of IPL. The Consumer Advocate Division of the Department of Justice (Consumer Advocate) was represented by its attorney, Mr. John Dwyer. Mr. John Bloome and Mr. Jeffrey O'Neal testified on behalf of the Board.

FINDINGS OF FACT

1. IPL is a pipeline company within the meaning of Iowa Code § 479.2 (2003). (testimony of Mr. House).
2. On March 12, 2004, IPL filed a petition for a permit to amend Pipeline Permit No. 1208 to construct, operate, and maintain a 10-inch diameter steel pipeline approximately 4.91 (later amended to 4.65) miles long for the transportation of natural gas in Cerro Gordo County, Iowa. (petition for permit; testimony of Mr. House; O'Neal reports; Bloome report). IPL amended its petition on April 8, April 27, May 4, and July 1, 2004. (petition for permit). IPL filed a land restoration plan with its petition. (land restoration plan; testimony of Mr. House). The proposed pipeline will have a maximum allowable operating pressure of 1050 psig. (petition for permit; O'Neal 06/07/04 report; testimony of Mr. House).
3. The proposed pipeline will follow a route described in petition Exhibit A and shown on petition Exhibit B (as amended). (petition Exhibits A and B; Bloome

report). It will begin at IPL's existing 20-inch diameter natural gas pipeline located on the Emery Generating Station site in Cerro Gordo County, Iowa, then run in a generally easterly and northeasterly direction to the Golden Grain Ethanol Plant currently under construction south of Mason City, Iowa. (petition for permit; Bloome report; O'Neal reports; testimony of Mr. House). The proposed pipeline will provide natural gas to the Golden Grain Ethanol Plant. (petition for permit; O'Neal 06/07/04 report; testimony of Mr. House). The proposed pipeline will have the capacity to provide an additional source of natural gas to customers in the Mason City area in the future. (petition for permit; testimony of Mr. House; O'Neal 06/07/04 report).

4. IPL caused notice of the hearing to be published in Cerro Gordo County in The Globe-Gazette, a newspaper of general circulation in the county, on July 13 and 20, 2004. (proof of publication).

5. The proposed pipeline is necessary to provide natural gas service to the Golden Grain Ethanol Plant in Cerro Gordo County, Iowa. (petition for permit; O'Neal 06/07/04 report; testimony of Mr. House). It will also have the capacity to provide an additional source of natural gas to the customers in the Mason City area in the future. (petition for permit; testimony of Mr. House; O'Neal 06/07/04 report). The Golden Grain Ethanol Plant will use natural gas to process corn into ethanol fuel. (testimony of Mr. House). Natural gas is a clean burning fuel that will produce fewer emissions, and thus a less negative impact on air quality, than some alternate fuels available for manufacturing processes. (testimony of Mr. House). The ethanol plant

will enhance the economy by providing new jobs and add to the tax base in Cerro Gordo County. (testimony of Mr. House). Therefore, the proposed pipeline will promote the public convenience and necessity as required by Iowa Code § 479.12. (petition for permit; testimony of Mr. House; O'Neal 06/07/04 report).

6. The proposed pipeline will comply with the design, construction, and safety requirements of Iowa Code Chapter 479, 199 IAC § 10.12, and 49 C.F.R. Part 192. (petition for permit; testimony of Mr. House; O'Neal reports). No further safety-related terms, conditions, or restrictions need to be imposed pursuant to Iowa Code § 479.12. (petition for permit; testimony of Mr. House; O'Neal reports).

7. The location and route of the proposed pipeline are reasonable and no further terms, conditions, or restrictions regarding them need to be imposed pursuant to Iowa Code § 479.12. (petition for permit; Bloome report; O'Neal 06/07/04 report; testimony of Mr. House).

8. IPL owns property subject to execution within this state, other than pipelines, of a value in excess of \$250,000 as required by Iowa Code § 479.26 and 199 IAC 10.2(1)"d." (testimony of Mr. House; petition exhibit D).

9. No written objections to the petition for a permit were filed and no objectors appeared at the hearing. (testimony of Mr. O'Neal; Docket P-848 file).

10. IPL has obtained all necessary easements for the proposed pipeline. (petition for permit; testimony of Mr. House).

11. IPL filed a land restoration plan that adequately addresses all land restoration issues contained in Iowa Code § 479.29 and 199 IAC 9. (land restoration plan; testimony of Mr. House; O'Neal 06/07/04 report).

CONCLUSIONS OF LAW

1. The Board has the authority to grant, amend, and renew permits for the construction, operation, and maintenance of pipelines for the intrastate transportation of natural gas. Iowa Code §§ 479.1, 479.4, 479.12, 479.18, and 479.29; 199 IAC Chapters 9 and 10.

2. The Board has jurisdiction over IPL and over the petition for amendment of natural gas Pipeline Permit No. 1208 it filed. Iowa Code §§ 479.2, 479.5, 479.6, 479.12, 479.18, and 479.29.

3. The petition of IPL for amendment of Pipeline Permit No. 1208 to construct, operate, and maintain the proposed pipeline filed in this docket should be granted. Iowa Code §§ 479.11, 479.12, 479.26, and 479.29; 199 IAC 9 and 10.

IT IS THEREFORE ORDERED:

1. Official notice is taken of the report dated May 10, 2004, filed in this docket by Mr. John Bloome; of the report dated June 7, 2004, filed in this docket by Mr. Jeffrey O'Neal; and of the supplemental report dated July 13, 2004, filed in this docket by Mr. O'Neal.

2. Pursuant to Iowa Code Chapter 479, the petition to amend Pipeline Permit No. 1208 to construct, operate, and maintain the proposed pipeline filed by

IPL in this docket is granted. The requested permit amendment will be issued if this proposed decision and order becomes the final order of the Board.

3. IPL must comply with the land restoration plan it filed with the petition (as amended) and the provisions of Iowa Code § 479.29 and 199 IAC 9.

4. IPL must provide timely notice to the Board before beginning construction of the pipeline, and must also file weekly progress reports during construction of the pipeline with the Board.

5. After IPL completes construction of the new pipeline, it must file a construction completion report with the Board. This report must include information regarding any unusual construction problems or occurrences, and a copy of the pressure test procedures used and the results obtained.

6. Within 180 days after completion of the construction of the new pipeline, IPL must file a map that accurately shows the location of the pipeline route as constructed. The map will be a part of the record in this case and will represent the final route as authorized by the permit.

7. The Board retains jurisdiction of the subject matter in this docket.

8. Ordinarily, this proposed decision would become the final decision of the Board unless appealed to the Board within 15 days of its issuance. Iowa Code § 17A.15(3); 199 IAC § 7.8(2). However, under appropriate circumstances, it is possible to reduce the time for appeal. Iowa Code § 17A.15(3); 199 IAC 1.3, 7.8(2). IPL has requested expedited treatment of this case so it can proceed with

construction. The Consumer Advocate does not object to a reduced appeal period. No objections to this petition were filed. There are no unresolved issues that indicate a need for the 15-day appeal period. Therefore, this proposed decision will become the final decision of the Board unless appealed to the Board within five (5) days of its issuance.

UTILITIES BOARD

/s/ Amy L. Christensen
Amy L. Christensen
Administrative Law Judge

ATTEST

/s/ Sharon Mayer
Executive Secretary, Assistant to

Dated at Des Moines, Iowa, this 5th day of August, 2004.